

(Washington, DC)—The House Financial Services Committee passed an amendment offered by Congresswoman Gwen Moore that could waive current disincentives for disabled individuals who receive Section 8 Housing Vouchers.

“This amendment is a win-win for workers and states,” Congresswoman More said. “It breaks down barriers that prevent disabled people who want to work from seeking employment and it will bring additional tax revenues to states.”

Many significantly disabled individuals who receive multiple benefits, such as a housing voucher, Social Security Disability Insurance, or Medicaid, could face significant cuts or complete elimination of benefits if they work and earn above a certain low threshold. For these workers a loss of any one benefit could mean long waiting lists for reentry to benefit programs, or worse, they could be left destitute or be forced into institutionalization. For many, the fear of losing benefits and benefit eligibility makes unemployment and continued access to their entitlement safety net seem more attractive and beneficial than employment.

The state of Wisconsin is seeking to run a demonstration program that would allow people with significant disabilities and who also have multiple benefits to continue to receive those benefits while still working if they pay for a cost-share in the form of a premium payment. These individuals would pay an additional 15% of their earnings to the state in order to take part in the program.

The Moore Amendment to H.R. 1851, the Section 8 Housing Voucher Reform Act, would clarify that the Department of Housing and Urban Development (HUD) has the authority to enter into joint demonstration programs with the Social Security Administration and the Department of Health and Human Services. It would also give the HUD Secretary the authority to waive, in conjunction with this specific type of state demonstration program, the requirement that a family's rent increase due to an increase in that family's income.

Additionally, the Financial Services Committee included in the original draft of H.R. 1851 a credit building provision authored by Congresswoman Moore. That section would give Public Housing Authorities (PHA) the option of reporting a tenant's timely rent payments, upon request, to the credit reporting agencies. This could boost the tenant's credit rating and therefore increase likelihood of qualifying for future home ownership.

“Simply put, my credit provision is about putting families in their own homes.” Congresswoman Moore said. “This provision will help working families leave Section 8 and purchase a home. It will enable conscientious tenants to parlay years of responsible and punctual rent payment into a good credit rating which is the key to securing a home mortgage.”

Though Americans today have more access to credit than ever before, there are several populations, including minorities, recent immigrants, and the young, that disproportionately lack a credit history. These individuals who have “thin” credit files may miss out on opportunities to purchase a home simply because the type of bills they pay every month, such as rent or utility payments, are not reported to credit reporting agencies. The two million families that take advantage of the Section 8 Voucher Program can easily increase their credit scores if the national credit reporting agencies consider their timely rent payments.

H.R. 1851 passed the House Financial Services Committee today and is expected to be considered on the House floor later this year.

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